

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Industrial Promotion – Extension of certain incentives under Industrial Investment Promotion Policy (IIPP) 2010-15 to M/s. AGI Glaspac (a subsidiary of Hindustan Sanitary Industries Limited), Bhongir Village and Mandal, Nalgonda District for their expansion project – Orders-Issued.

INDUSTRIES & COMMERCE (IP) DEPARTMENT

G.O.Ms.No.65

Dated:08-07-2011

Read the following:-

1. From the Senior Vice President of M/s.AGI Glaspac (a subsidiary of HSIL Ltd.), Bhongir Village, Nalgonda District, Letters No. Nil, dated.28.01.2011 & 02.02.2011.
2. State Investment Promotion Committee Meeting held on 10.02.2011
3. State Investment Promotion Board Meeting held on 23.02.2011.

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ORDER:-

In the reference 1st read above, the Director of M/s.AGI glaspac, Bhongir Village, Nalgonda District informed that AGI glaspac is a subsidiary unit of Hindustan Sanitary Industries Limited (HSIL), operates 2 divisions – Glass and Ceramics. M/s. Hindustan Sanitary Industries Limited operates 3 manufacturing plants in Andhra Pradesh at Borabanda, Hyderabad, Bibinagar and Bhongiri, Nalgonda District and one plant in Haryana State at Bhadurgarh. The Glass division known as “AGI glaspac” was the erstwhile Associate Glass India Limited (AGIL).

2. M/s. AGI glaspac, Bhongir village, Nalgonda District proposes to expand the existing Container Glassware plant with a capacity of 500 MT per day to manufacture specialty Glass Containers for High end applications with an estimated cost of Rs.270 Crores and to provide employment to 1100 persons and requested for the following incentives under Mega Project concept of IIPP 2010-15 policy.

- (a) Reimbursement of VAT @ 25% extended to the existing unit which commissioned in year 2009 should be enhanced to the 50% from DCP for a period of 5 years on par with other container glass manufacturing unit to ensure level playing to the existing unit.
- (b) To extend 50% of VAT for the proposed Expansion unit also.
- (c) Input Tax credit should not be deducted for calculation of sales tax incentives.
- (d) To provide power cost reimbursement on the power purchased from APGPCL, as APCPDCL could not able to provide continuous supply of power.
- (e) Allotment of mining lease for Quartz, Silica, Dolomite, Feldspa in Nalgonda, Kurnool, Medak and Rangareddy District

3. State Investment Promotion Committee (SIPC) have discussed the above proposal and decided to place the matter before the State Investment Promotion Board (SIPB).

4. State Investment Promotion Board in its meeting held on 23.02.2011 discussed the proposal in detail and decided to extend the following incentives to the Company:

- (a) Not to extend any additional VAT incentives to the existing unit, as it may create precedent for the old units to claim additional incentives on par with other new units
- (b) 50% VAT & CST / SGST reimbursement for the expansion unit for a period of 5 years from the date of commencement of commercial production
- (c) Fixed Power cost reimbursement of Rs.0.75 per unit for 5 years only on the power consumed from APCPDCL as per the policy.
- (d) With regard to the power consumed by the unit from APGPCL, Energy Department informed that they can supply power as much as they require and not agreed for granting incentives on the power supplied by a part Private Company, which would ultimately result-in cross subsidization of the Generation Cost. After detailed discussions, SIPB decided not to extend any incentive on the power consumed from APGPCL.
- (e) All other incentives as per IIPP 2010-15.

5. Government after careful examination of the proposal and in view of the recommendations of the State Investment Promotion Board, hereby extend the following

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incentives to M/s. AGI glaspac (a subsidiary of Hindustan Sanitary Industries Limited), Bhongir Village and Mandal, Nalgonda District for their proposed expansion of the existing Container Glassware plant to manufacture Specialty Glass Containers for High-end Applications under Industrial Investment Promotion Policy 2010-2015:.

- (a) To extend 50% VAT & CST / SGST reimbursement for the expansion unit only for a period of 5 years from the date of commencement of commercial production. The company shall give preference and preference to locals in providing employment in the unit;
- (b) To extend Fixed Power cost reimbursement of Rs.0.75 per unit for 5 years only on the power consumed from APCPDCL as per the policy; and
- (c) To extend other incentives as per Industrial Investment Promotion Policy 2010-15, which include:
 - (1) 100% reimbursement of Stamp duty and transfer duty paid by the industry on purchase of land meant for industrial use;
 - (2) 100% reimbursement of Stamp duty on mortgages and hypothecations;
 - (3) Infrastructure like roads, power and water will be provided at door step of the industry for standalone units by contributing 50% of the cost of infrastructure from IIDF with a ceiling of Rs.1.00 Crore, as per guidelines;
 - (4) 50% Reimbursement of cost involved in skill upgradation and training the local manpower limited to Rs.2000 per person; and
 - (5) 25% subsidy on specific cleaner production measures limited to Rs.5.00 Lakhs.

6. The Commissioner of Industries, A.P., Hyderabad shall take necessary action, accordingly and instruct the General Manager, District Industries Centre, Nalgonda District to intimate the status of the progress of work done by the unit from time to time to Government.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

T.S. APPA RAO,
PRINCIPAL SECRETARY TO GOVERNMENT &
COMMISSIONER FOR INDUSTRIAL PROMOTION

To

The Commissioner of Industries, A.P., Hyderabad.

M/s. AGI glaspac (a subsidiary of HSIL), Bhongir (V), Nalgonda District, through the
Commissioner of Industries, AP, Hyderabad.

The District Collector, Nalgonda District

Copy to:

The Revenue (CT/ Registration) Dept./The Energy Department.

The Ind. & Com. (INF) Dept./ Irrigation & CAD (PW. Reforms) Dept.

The Finance (I&C) Dept./ The Law Dept./ Ind. & Com. (Mines) Dept.

The Accountant General, A.P., Hyderabad /The Commr. of Commercial Taxes, Hyderabad

The Chairman & Managing Director, APTRANSCO., Hyderabad

The Managing Director, APEPDC Ltd., Hyderabad

The General Manager, District Industries Centre, Nalgonda District

P.S. to Secretary to Chief Minister

P.S. to Minister(Major Industries, Sugar, C&EP) /P.S. to Chief Secretary to Government

P.S. to Principal Secretary to Government & CIP, Industries & Commerce Dept.

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// Forwarded:: By:: Order //

SECTION OFFICER